

AMENDED IN ASSEMBLY JUNE 19, 2013

AMENDED IN SENATE MAY 8, 2013

AMENDED IN SENATE APRIL 4, 2013

SENATE BILL

No. 699

Introduced by Senator Hill

February 22, 2013

An act to add Section ~~586~~ 353.17 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 699, as amended, Hill. Electricity: electrical corporations: ~~reporting.~~ *Clean distributed energy resources.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act requires ~~each public utility to furnish such reports to the commission at such time and in such form as the commission may require and in those reports the utility is required to specifically answer all questions propounded by the commission. The act authorizes the commission to require any public utility to file periodic reports concerning any matter about which the commission is authorized by any law to inquire or to keep itself informed, or which it is required to enforce~~ *each electrical corporation, as a part of its distribution planning process, to consider specified nonutility owned distributed energy resources as an alternative to investments in its distribution system to ensure reliable electric services at the lowest possible costs.*

This bill would require ~~an electrical corporation to annually report to the commission capital expenditures included in the distribution category~~

~~of the electrical corporation's ratebase for each project. The bill would require an electrical corporation to report all interconnection costs charged to the customer for each interconnection agreement to interconnect distributed energy resources: the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to direct an electrical corporation to, among other things, determine the location on the distribution grid where clean distributed energy resources, as defined, will provide optimal benefits and to procure clean distributed energy resources to meet distribution grid needs as a part of the electrical corporation's transmission and distribution grid infrastructure investments.~~

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission is a crime.

Because the provisions of this bill are within the act and require action by the Public Utilities Commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) ~~Distributed~~ *Clean distributed* energy resources, including
- 4 distributed generation, can reduce emissions of greenhouse gases,
- 5 reduce criteria air pollution, reduce water consumption, increase
- 6 grid reliability, localize power generation, and decrease reliance
- 7 on large, polluting generation facilities.
- 8 (b) The Legislature has established programs and policies to
- 9 support the commercialization and growth of *clean* distributed
- 10 generation technologies, including the California Solar Initiative,
- 11 combined heat and power feed-in tariffs pursuant to the Waste

Heat and Carbon Emissions Reduction Act, the self-generation incentive program, and the renewable market adjusting tariff.

(c) A central impediment to increased proliferation of distributed energy resources is a lack of transparency in current utility infrastructure investments in the distribution grid and in the costs and process associated with interconnection to the utility grid, costs that are ultimately ~~born~~ borne by ratepayers.

(d) Transparency on what distribution grid investments have been made will allow policymakers and stakeholders to better understand and evaluate what types of *clean* distributed energy resources may be more cost effective and better serve the grid and ratepayers for future investments.

~~SEC. 2. Section 586 is added to the Public Utilities Code, to read:~~

~~586. (a) For capital expenditures included in the distribution category of the electrical corporation's ratebase, the electrical corporation shall annually report expenditures for each project, including all of the following:~~

- ~~(1) The total dollar amount.~~
- ~~(2) The type of equipment installed.~~
- ~~(3) The purpose of the expenditure.~~
- ~~(4) Whether or not the installations affect the interconnection and management of distributed energy resources.~~

~~(b) For each interconnection agreement executed with customers that interconnect distributed energy resources, the electrical corporation shall report all interconnection costs charged to the customer.~~

~~SEC. 2. Section 353.17 is added to the Public Utilities Code, to read:~~

~~353.17. (a) The commission, in consultation with the Energy Commission, shall direct each electrical corporation to do all of the following:~~

- ~~(1) Determine the location on the distribution grid where clean distributed energy resources will provide optimal benefits.~~
- ~~(2) Quantify the benefits of those resources.~~
- ~~(3) Report to the commission the costs and locations of current investments in the distribution grid, including relevance to the interconnection and management of clean distributed energy resources.~~

1 (4) *Procure clean distributed energy resources to meet*
2 *distribution grid needs as a part of the electrical corporation's*
3 *transmission and distribution grid infrastructure investments.*

4 (b) *For the purposes of this section, "clean distributed energy*
5 *resources" means an electric generation technology that meets*
6 *both of the following requirements:*

7 (1) *Reduces greenhouse gas emissions as determined by the*
8 *State Air Resources Board greenhouse gas emissions factor*
9 *pursuant to the California Global Warming Solutions Act of 2006*
10 *(Division 25.5 (commencing with Section 38500) of the Health*
11 *and Safety Code).*

12 (2) *Complies with emission standards and guidance adopted*
13 *by the State Air Resources Board pursuant to Sections 41514.9*
14 *and 41514.10 of the Health and Safety Code.*

15 (3) *Is interconnected to the electrical corporation's distribution*
16 *grid.*

17 SEC. 3. No reimbursement is required by this act pursuant to
18 Section 6 of Article XIII B of the California Constitution because
19 the only costs that may be incurred by a local agency or school
20 district will be incurred because this act creates a new crime or
21 infraction, eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section 17556 of
23 the Government Code, or changes the definition of a crime within
24 the meaning of Section 6 of Article XIII B of the California
25 Constitution.